

2 **AN ORDINANCE OF THE BOARD OF COUNTY
3 COMMISSIONERS OF PALM BEACH COUNTY,
4 FLORIDA, PROVIDING FOR TITLE; PROVIDING FOR
5 THE ESTABLISHMENT, PURPOSE, AUTHORITY,
6 COMPOSITION, MEETINGS AND RESPONSIBILITIES OF
7 THE PALM BEACH COUNTY INTERNAL AUDIT
8 COMMITTEE; PROVIDING FOR REPEAL OF LAWS IN
9 CONFLICT AND REPEALING RESOLUTION R-2005-325
10 IN ITS ENTIRETY; PROVIDING FOR SEVERABILITY;
11 PROVIDING FOR INCLUSION IN THE CODE OF LAWS
12 AND ORDINANCES; AND PROVIDING FOR AN
13 EFFECTIVE DATE.**

14 **WHEREAS**, it is vital that government exercise its power and perform its duties in
15 compliance with law, policy, and established procedures, apply sound management practices,
16 and be held accountable for the use of public funds; and

17 **WHEREAS**, internal auditing is an independent, objective assurance and consulting
18 activity designed to add value and improve the government's operations by bringing a
19 systematic, disciplined approach to evaluating and improving the effectiveness of risk
20 management, control, and governance processes.

21 **WHEREAS**, the Office of Internal Auditor has been established by the Charter of Palm
22 Beach County, Florida; and

23 **WHEREAS**, an Internal Audit Committee has been established to carry-out certain
24 duties and responsibilities on behalf of the Board.

25 **NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY
26 COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:**

27 **SECTION 1. TITLE.**

28 This Ordinance shall be titled the "Palm Beach County Internal Audit Committee Charter
29 Ordinance."

30 **SECTION 2. ESTABLISHMENT & PURPOSE.**

31 An Internal Audit Committee is established for the purpose of assisting the Palm Beach County
32 Board of County Commissioners (BCC) in fulfilling its oversight and governance responsibilities
33 of county operations and providing advice and recommendations to the County Internal Auditor.

34 **SECTION 3. AUTHORITY.**

35 The Internal Audit Committee shall serve on behalf of the BCC as its oversight of the county
36 internal audit function. The Internal Audit Committee is authorized to:

- 1 A. Act as an advisor to the County Internal Auditor in conducting performance audits of
- 2 county departments, divisions, offices, agencies or boards which fall under the authority
- 3 of the BCC and entities contracting with the BCC.
- 4 B. Give guidance to the County Internal Auditor in planning and conducting effectiveness,
- 5 efficiency and economy reviews.
- 6 C. Act as an advisor to the BCC on the County Internal Auditor's function and activities.
- 7 D. Provide advice and recommendations regarding the assessment of significant risks and
- 8 exposures as well as compliance with policies, procedures, laws and regulations.
- 9 E. Seek and obtain any information it requires from BCC or county employees, all of whom
- 10 are directed to cooperate with the committee's request.

11 SECTION 4. COMPOSITION.

12 A. The Internal Audit Committee shall be composed of five members appointed by the BCC
13 and shall not include any county commissioners as members.

14 B. All five members shall be citizens of Palm Beach County, independent of elected and
15 appointed county officials and employees, and not employed in any capacity by the BCC
16 or by an entity subject to audit by the County Internal Auditor.

17 C. Membership of the Internal Audit Committee will be to the greatest extent possible
18 representative of the community-at-large and reflect the racial, gender and ethnic make-
19 up of the community.

20 D. The members' terms shall be three years and staggered so that the Internal Audit
21 Committee annually includes a new member and members with one and two years of
22 service. Members' terms will be determined by lot at the first meeting with Seats 1 and 2
23 serving for three years, Seats 3 and 4 serving for two years, and Seat 5 serving for 1 year.

24 E. Each member shall serve no more than two consecutive full terms.

25 F. At least 90 days prior to the end of a member's term of service on the Internal Audit
26 Committee, the Internal Audit Committee shall either (a) recommend that the BCC
27 reappoint that member (if that member is eligible for reappointment) or (b) recommend
28 that the BCC appoint a new member.

29 G. Committee members shall have experience in business or finance; government
30 accounting, auditing, operations or financial management; or other relevant experience.

1 H. The chair of the Internal Audit Committee will have accounting, audit or related financial
2 management expertise, and will be elected by the members of the Internal Audit
3 Committee to serve a single two year term.

4 **SECTION 5. MEETINGS.**

5 A. The Internal Audit Committee will meet at least quarterly, with authority to convene
6 additional meetings, as circumstances require.

7 B. All Internal Audit Committee members must attend at least 75% of the scheduled
8 meetings to remain a member.

9 C. Absences due to extenuating circumstances may be excused by the Internal Audit
10 Committee at its discretion.

11 D. The Internal Audit Committee may invite members of management, internal auditors,
12 external auditors or others to attend meetings and provide pertinent information, as
13 necessary.

14 E. Meeting agendas will be prepared by the County Internal Auditor and provided in
15 advance to members, along with appropriate briefing materials. Meeting agendas will be
16 approved by the Internal Audit Committee at the start of each meeting.

17 F. Minutes will be prepared by the Clerk & Comptroller's Board Services/Minutes
18 Department.

19 G. Three out of five members must be present to have a quorum.

20 **SECTION 6. RESPONSIBILITIES.**

21 The Internal Audit Committee will carry out the following responsibilities:

22 **A. Review and Direction of Internal Audit Function.**

23 1. Review with the County Internal Auditor the Internal Audit Committee charter, audit
24 plans, activities, staffing, budget, and organization structure of the internal audit
25 function. The Internal Audit Committee's key responsibilities will be documented on
26 a checklist at the beginning of each fiscal year, identifying the frequency and the
27 specific meeting date that each responsibility will be completed.

28 2. Review and make recommendations to the BCC for amendments to the county charter
29 establishing the Office of the County Internal Auditor.

1 3. Review and approve the County Internal Auditor's annual audit plan, submit the
2 approved plan to the BCC for information purposes only and review and approve any
3 proposed amendments to the annual plan.

4 4. Review and approve internal audit reports prior to issuance.

5 5. Send internal audit reports to the BCC and have internal audit reports posted on the
6 county's website to promote transparency.

7 6. Report problems or problem areas to the BCC at such times as deemed appropriate.

8 7. Monitor follow-up on reported findings to ensure corrective actions are taken.

9 8. Evaluate at least annually the performance of the County Internal Auditor and the
10 effectiveness of the internal audit function and recommend compensation adjustments
11 and contract renewal for the County Internal Auditor to the BCC.

12 9. Evaluate the findings and recommendations of periodic peer reviews conducted by
13 independent parties to evaluate the internal audit function's adherence to professional
14 audit standards.

15 10. Act as a selection committee for the County Internal Auditor whenever the position
16 becomes vacant. Interview candidates with the assistance of the Human Resources
17 department, and make a recommendation to the BCC for the new County Internal
18 Auditor.

19 11. Review any occurrences of fraud detected by the county internal auditor and provide
20 recommendations to the County Internal Auditor of the appropriate disposition,
21 including forwarding to the County Inspector General or proper law enforcement
22 agency.

23 **B. Review of the Systems of Internal Controls.**

24 1. Act as an advisor to the County Internal Auditor in identifying and assessing the
25 county's significant risks or exposures. Such risks and exposures may arise from
26 areas including, but not limited to, county operations, finance, reporting, asserted and
27 unasserted litigation and claims, and non-compliance with laws, regulations,
28 contractual obligations and grants.

29 2. Review with the County Internal Auditor the process for providing reasonable
30 assurance that management has adequate controls to minimize these risks and
31 exposures.

3. Review with the County Internal Auditor the existing information technology systems and related security and controls.
4. Obtain regular updates from the County Internal Auditor regarding compliance matters or issues.
5. Obtain and review such additional information as deemed necessary to evaluate the adequacy and effectiveness of controls encompassing the county's governance, operations, and information systems including:
 - a. reliability and integrity of operational and related financial information,
 - b. effectiveness, efficiency and economy of operations,
 - c. safeguarding of assets, and
 - d. compliance with laws, regulations, contracts and grants.

C. Other Responsibilities.

1. Discuss with and provide guidance to the County Internal Auditor regarding the County's policies and procedures with respect to risk assessment and risk management.
2. Perform other activities related to the committee's purpose as defined in Section 2 of this Ordinance.
3. Review and assess the adequacy of the Internal Audit Committee Ordinance annually, request BCC approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
4. Perform an annual self-assessment of the committee's and individual members' performance and ensure all responsibilities outlined in this charter have been carried out. Provide an annual report to the BCC.

SECTION 7. REPEAL OF LAWS IN CONFLICT.

All local laws and ordinances in conflict with any provisions of this Ordinance are hereby repealed to the extent of such conflict. Resolution R-2005-325 is repealed in its entirety.

SECTION 8. SEVERABILITY.

If any section, paragraph, sentence, clause, phrase, or word of this Ordinance is for any reason held by the Court to be unconstitutional, inoperative, or void, such holding shall not affect the remainder of this Ordinance.

1 SECTION 9. INCLUSION IN THE CODE OF LAWS AND ORDINANCES.

2 The provisions of this Ordinance shall become and be made a part of the Code of Laws
3 and Ordinances of Palm Beach County, Florida. The sections of this Ordinance may be
4 renumbered or re-lettered to accomplish such, and the word "ordinance" may be changed to
5 "section," "article," or other appropriate word.

6 SECTION 10. EFFECTIVE DATE.

7 The provisions of this Ordinance shall become effective upon filing with the Department
8 of State.

9 APPROVED AND ADOPTED by the Board of County Commissioners of Palm Beach
10 County, Florida, on this the 23rd day of March, 2010.

11

12 SHARON R. BOCK, CLERK & COMPTROLLER, PALM BEACH COUNTY, FLORIDA, BY ITS
13 BOARD OF COUNTY COMMISSIONERS

14

15 Deputy

By: Burt Aaronson
Chair

Steven L. Abrams

16 (SEAL)

17 APPROVED AS TO FORM AND
18 LEGAL SUFFICIENCY

19 By: Paul F. S.
20 County Attorney

21 Filed with the Department of State on the 29th day of March, 2010.

22 G:/audit committee/resolutions and miscellaneous/county Audit Committee Charter – final

STATE OF FLORIDA, COUNTY OF PALM BEACH,
I, SHARON R. BOCK, Clerk and Commissioner of
certify this to be a true and correct copy of the original
filed in my office on MAR 23 2010 BEAC,
dated at West Palm Beach, FL on 4-6-09 COUNTY
By: Sharon Bock FLORIDA
Deputy Clerk